

~~CONFIDENTIAL~~ 25X1A2gCENTRAL INTELLIGENCE GROUP  
INTELLIGENCE REPORT

128674

COUNTRY Germany (Russian Zone)

DATE: 25X1A6a

SUBJECT SMA Priority List for Industrial Production

INFO. [REDACTED]

DIST. 18 November 1947

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PAGES 2

SUPPLEMENT [REDACTED] 25X1A2g

ORIGIN [REDACTED]

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1. During a meeting of the executive council of the SMA (Karlshorst), I. V. Kurnashov, G. G. Alexandrov, and G. K. Blagovestov, the men responsible for the industrial output, complained that delivery dates were not being observed. Major-General Kvashnin ordered, therefore, that the Soviet AGs be investigated to determine who are the persons responsible for the delay, and that steps be taken immediately to remedy the situation. It was pointed out that the B.M.W. in Eisenach, the Horch plant in Zwickau, and the Audi factory (formerly Auto Union) in Zwickau, which are working exclusively on reparations orders, were the worst offenders, i.e., that their deliveries were at present almost 25% behind schedule. Although it was alleged that the slow-down in the work program is due to political differences among the workers and to sabotage on the part of some technicians and foremen, the actual reason is a shortage of raw materials and dissatisfaction among the workers who have not received the special allocations they had been promised. Several men accused of sabotage have already been arrested in the Audi plant. Similar conditions exist in the Zeiss plant in Jena, i.e., orders for bomb sights and optical measuring instruments have been only about 60% filled.

2. During this meeting, a priority list for current production orders was submitted by Colonel Ruchkin of the reparations section; it contained twelve main groups, of which five were to take precedence.

Washington Comment: The priority list mentioned above is given in detail in [REDACTED] of which this report should be considered a part. Both reports should be read in connection with [REDACTED] 25X1A2g

3. Colonel Ruchkin reiterated that all reparations orders, of whatever nature, are to take precedence over any other orders. He also made it clear that all factories, including private and socialized plants, are bound to follow strictly the above-mentioned priority classification.
4. Export orders, Colonel Ruchkin stated, are second in importance, and must be started as soon as reparations orders have been filled, in accordance

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with the following priority classification:

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1. Orders for Poland
2. Orders for Czechoslovakia
3. Orders for Yugoslavia
4. Orders for Finland
5. Orders for Rumania
6. Orders for Sweden
7. Orders for Switzerland
8. Orders for all other countries.

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